

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES SECURITIES AND  
EXCHANGE COMMISSION,

Civil Action No. 1:21-mc-00810 \_\_\_\_\_

Applicant,

v.

TERRAFORM LABS PTE LTD. and DO  
KWON

Hon. J. Paul Oetken

Hon. Barbara C. Moses

Respondents.

**DECLARATION OF HAN CHANG JOON IN OPPOSITION TO THE U.S. SECURITIES  
AND EXCHANGE COMMISSION'S APPLICATION FOR AN ORDER  
REQUIRING COMPLIANCE WITH SUBPOENAS**

I, Han Chang Joon, pursuant to 28 U.S.C. § 1746, do hereby declare as follows:

1. I am Chief Financial Officer of Terraform Labs PTE Ltd.
2. I submit this declaration in support of Respondents Terraform Labs PTE, Ltd.

(“TFL”) and Do Kwon’s opposition to the Application by the United States Securities and Exchange Commission (“SEC” or “Commission”) for an Order Requiring Compliance with Subpoenas. The SEC’s application seeks an order directing Mr. Kwon and TFL to comply with investigative subpoenas served personally upon Mr. Kwon for both himself and TFL in connection with the SEC’s investigation entitled *In the Matter of Mirror Protocol*, File No. HO-14164 (the “Mirror Protocol Investigation”). This Declaration is based upon my personal involvement with and knowledge of TFL’s business, including the technical underpinnings of the Mirror Protocol.

**I. General Information about TFL**

3. TFL is a private company located at 22 Cross Street #02-103 Singapore 048421, engaged in open source software and blockchain platform development and related activities.

4. Do Kwon, a citizen of South Korea, is now a resident of Singapore.

5. TFL is the developer of Terra, a decentralized and open-source public blockchain network, and the Mirror Protocol, a decentralized finance protocol built on Terra that is governed by its stakeholder community. Through the Mirror Protocol, users can choose to create (or “mint”) Mirrored Assets (“mAssets”) that “mirror” real-world assets of the users’ and the community’s choice. Through the operation of the autonomous smart contracts that create and enable them, these tokens mimic the price behavior of the assets upon which they are based.

6. To mint (or create) an mAsset, users deposit collateral to the Mirror Protocol. The protocol accepts TerraUSD and other decentralized algorithmic stablecoins pegged to fiat currencies and other mAssets as collateral. Which mAssets are minted is determined by governance proposals submitted to and voted on by the Mirror Protocol community, participation in which is based on holding MIR tokens, the governance tokens for the Mirror Protocol.

7. In addition, the Mirror Protocol allows users to obtain MIR tokens granted from the community pool for services to the community (this entire process is also governed by autonomous smart contracts not controlled by TFL). Neither TFL nor Mr. Kwon control the Terra network or the Mirror Protocol. Various user interfaces (some web-based, some app-based) facilitate access to the Mirror Protocol; only one such interface was created by TFL, and TFL no longer hosts that interface. The trading of assets through the Mirror Protocol generates no revenue for TFL.

8. TFL maintained a web application that some users utilized to interact with the Mirror Protocol until November 14, 2021. That user interface has since been open sourced and is not hosted by TFL.

9. In April 2021, TFL entered into a “listing agreement” for MIR tokens (not mAssets) with a global digital asset trading platform incorporated in Delaware. TFL earns no money from that agreement, which facilitates trading of MIR tokens by third parties around the world.

10. TFL does not pay to advertise mAssets or MIR tokens in the U.S. or otherwise market them specifically to U.S. persons.

11. On September 20, 2021, Mr. Kwon attended “Mainnet 2021,” a cryptocurrency summit. At the summit, Mr. Kwon participated in a panel titled “The Multi-Chain Future Is Here” about interoperability among the leading blockchains.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge, information and belief.

December 17, 2021



Han Chang Joon